

# Third Quarter Financial Results Fiscal Year 2020 (Ending March 2021)

January 28, 2021

**SEIKO EPSON CORP.**

## ■ Disclaimer regarding forward-looking statements

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The foregoing statements regarding future results reflect the Company's expectations based on information available at the time of announcement. The information contains certain forward-looking statements that are subject to known and unknown risks and uncertainties that could cause actual results to differ materially from those expressed or implied by such statements. Such risks and uncertainties include, but are not limited to, the competitive environment, market trends, general economic conditions, technological changes, exchange rate fluctuations and our ability to continue to timely introduce new products and services.

## ■ Note regarding business profit

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Business profit is calculated by deducting cost of sales and SGA expenses from revenue. Although not defined in the statement of consolidated comprehensive income, this indicator is very similar to the concept of operating income under J-GAAP. Epson will present this information as a reference, as the Company believes users of financial statements will find it useful when evaluating Epson's financial performance.

## ■ Numerical values presented herein

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Numbers are rounded down to the unit indicated. Percentages are rounded off to one decimal place. Years mentioned in these materials are fiscal years unless otherwise indicated.

- **Summary**
- Third-Quarter Financial Results
- FY2020 Full-Year Financial Outlook
- Shareholder Returns
- Efforts for Sustainable Growth

## Q3

- Revenue: ¥278.8 billion (down ¥1.0 billion YoY)
  - Demand, which slumped due to COVID-19, is rebounding to varying extents, depending on region and product
  - Supply continued to fall short of demand
- Business profit: ¥31.1 billion (up ¥13.5 billion YoY)
  - Expansion of strategic products, increased ink sales due to sustained at-home print demand and maintenance of selling prices
  - Tightly contained costs
- Profit for the period: ¥16.0 billion (up ¥3.7 billion YoY)
  - The increase in business profit resulted in an increase in every profit category
  - A ¥3.6 billion impairment loss was recorded under other operating expenses in the wearable products business.

## Full-year financial outlook

- Revenue: ¥980.0 billion  
(down ¥63.6 billion YoY and revised upward by ¥20.0 billion vs. the previous outlook)
  - The outlook reflects sales through Q3
- Business profit: ¥50.0 billion  
(up ¥9.1 billion YoY and revised upward by ¥15.0 billion vs. the previous outlook)

- Summary
- **Third-Quarter Financial Results**
- FY2020 Full-Year Financial Outlook
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# Financial Highlights (Third Quarter)

	FY2019		FY2020		Change	
	(Billions of yen) Q3 Actual	%	Q3 Actual	%	Y/Y	%
Revenue	279.8		278.8		-1.0	-0.4%
Business profit	17.6	6.3%	31.1	11.2%	+13.5	+76.3%
Profit from operating activities	17.6	6.3%	24.6	8.8%	+6.9	+39.3%
Profit before tax	17.3	6.2%	22.8	8.2%	+5.4	+31.6%
Profit for the period attributable to owners of the parent company	12.2	4.4%	16.0	5.8%	+3.7	+30.9%
EPS* <sup>1</sup> (yen)	35.47		46.42			
Exchange rate (yen, index)	USD	¥108.72	¥104.48			
	EUR	¥120.35	¥124.51			
	Other currencies* <sup>2</sup>	100	94			

\*1 Basic earnings per share for the period

\*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous period. Rates are weighted according to Epson's net volume of revenue and cost for each currency

Exchange Effect (Billions of yen)	USD	EUR	Other currencies	Total
Revenue	-3.2	+1.5	-3.4	-5.1
Business profit	+0.8	+1.0	-2.2	-0.3

## ■ Revenue: ¥278.8 billion (down ¥1.0 billion YoY)

- Demand, which slumped due to COVID-19, is steadily rebounding to varying extents, depending on region and product
- Supply continued to fall short of demand
  - Factory operations in Indonesia were suspended in September and logistics were disrupted (shipping container shortage and congested seaports)
    - ✓ Ink cartridge printers, high-capacity ink tank printers, commercial and industrial IJPs, projectors and other products were affected
- Impact of COVID-19
  - ~¥15.0 billion negative impact on demand and supply in Q3

## ■ Business profit: ¥31.1 billion (up ¥13.5 billion)

- In addition to growth in sales of high-capacity ink tank printers and ink, and higher selling prices, business profit benefited from tight cost containment

## ■ Profit for the period: ¥16.0 billion (up ¥3.7 billion)

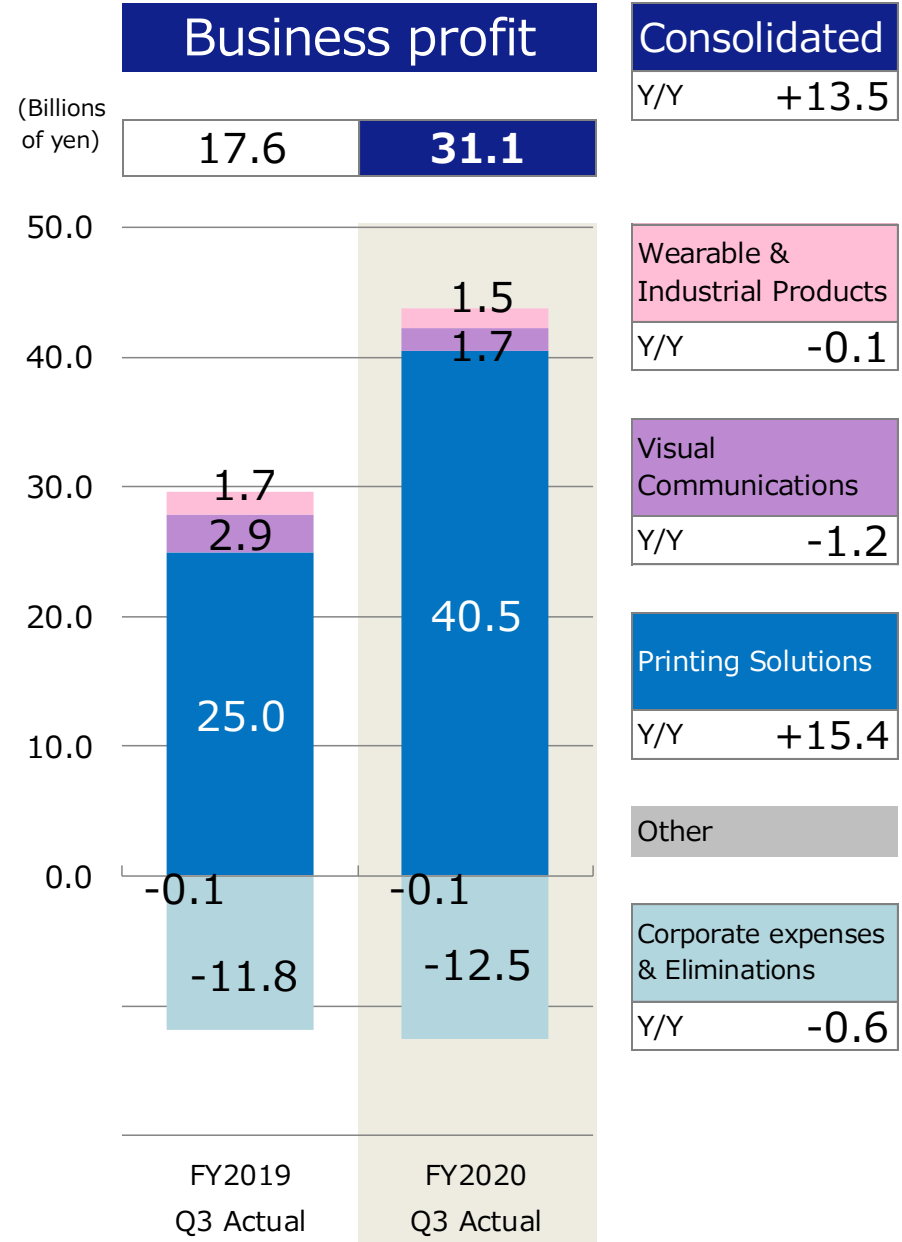
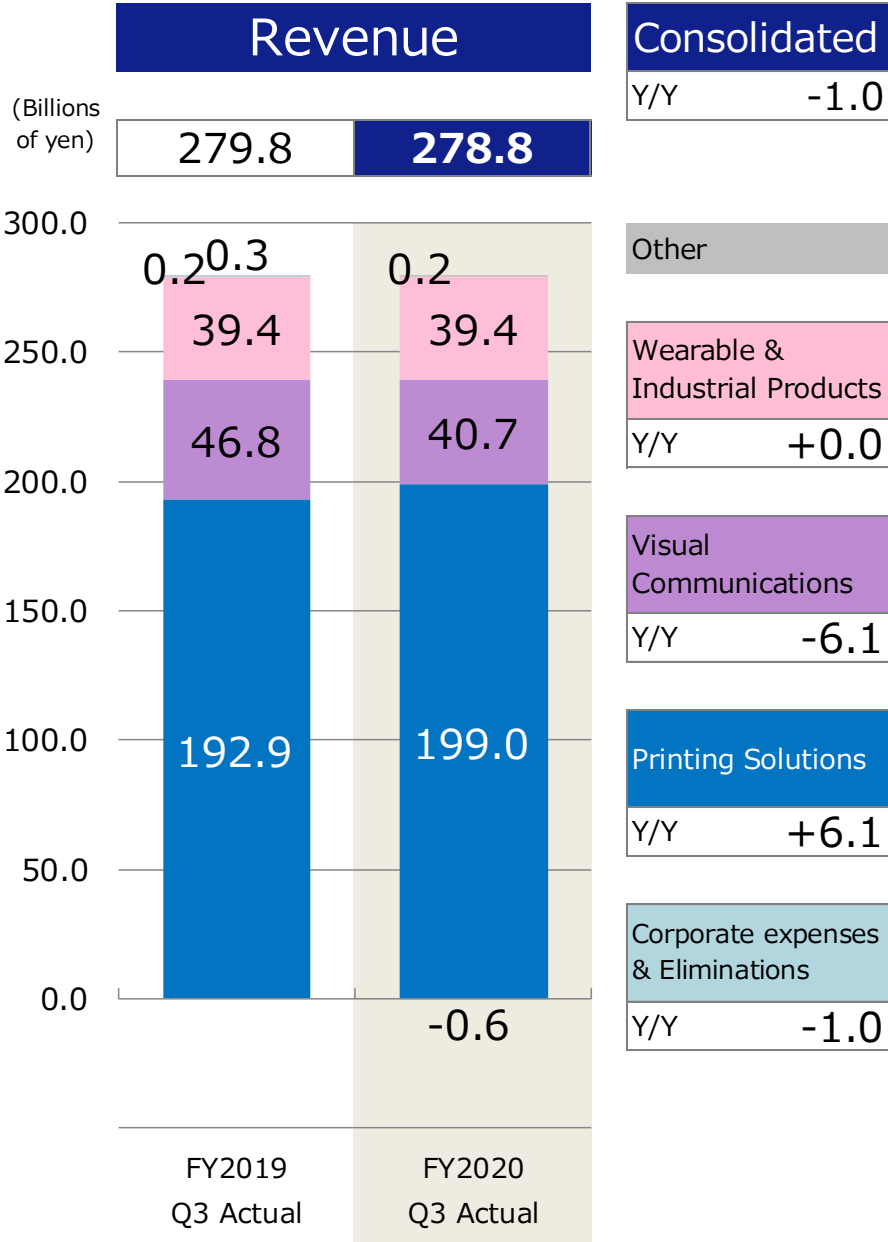
- The increase in business profit resulted in an increase in every profit category
  - A ¥3.6 billion impairment loss was recorded under other operating expenses in the wearable products business
    - ✓ Review future recovery more cautiously in light of watch market trends due to COVID-19 impacts in the 9 months through Q3

## ■ Vs. previous outlook

- Revenue exceeded expectations due to continued at-home print demand for IJP ink, stable printer prices, and increased demand for robotics solutions and microdevices
- Business profit was significantly higher than expected due to the impact of cost restraint in addition to the impact of sales revenue



# Q3 Financial Results by Business Segment



# Quarterly Comparison by Business

(Billions of yen)

Printing Solutions	Q3/FY2019 Actual	Q3/FY2020 Actual	Y/Y	Exchange effect
Revenue	192.9	199.0	+6.1	-4.1
Printers	134.0	144.5	+10.4	
% sales Office & home IJP	85%	88%		
SIDM	6%	5%		
Other	9%	7%		
Professional Printing	51.8	50.4	-1.4	
% sales C&I IJP	66%	71%		
POS printers, other	34%	29%		
Other	7.0	4.1	-2.8	
Inter-segment revenue	-0.0	-0.0	-0.0	
Segment profit	25.0	40.5	+15.4	-0.3
ROS	13.0%	20.4%		

## ◆ Office & home IJP Sales Trends\*1

			Q3/FY19 Actual	Q3/FY20 Actual
Hardware	Revenue	JPY	-1%	+17%
		Local currency	+3%	+22%
	Volume	YoY%	+2%	+2%
Ink	Revenue	JPY	-12%	+5%
		Local currency	-9%	+6%
Office shared IJP*2	Revenue	Composition ratio within office & home IJP*3	9%	9%

## Printer business

- ◆ Office & home IJP
  - High-capacity ink tank printer demand rebounded and sales expanded
  - Unit shipments of ink cartridge printers for SOHO/ home use decreased but revenue increased on higher selling prices and an improved model mix
  - Ink sales grew on sustained at-home print demand in North America and Western Europe, etc.

- Office shared IJPs were flat YoY

## ◆ SIDM

- Sales declined chiefly in China

## Professional printing business

- ◆ Commercial & industrial IJP
  - Finished products business flat YoY. Revenue increased for signage, textile, and label printers, but revenue for photo printers decreased

- Printhead sales business revenue increased on new customer wins in China

## ◆ POS printer

- Sales stagnant in every region


## Other

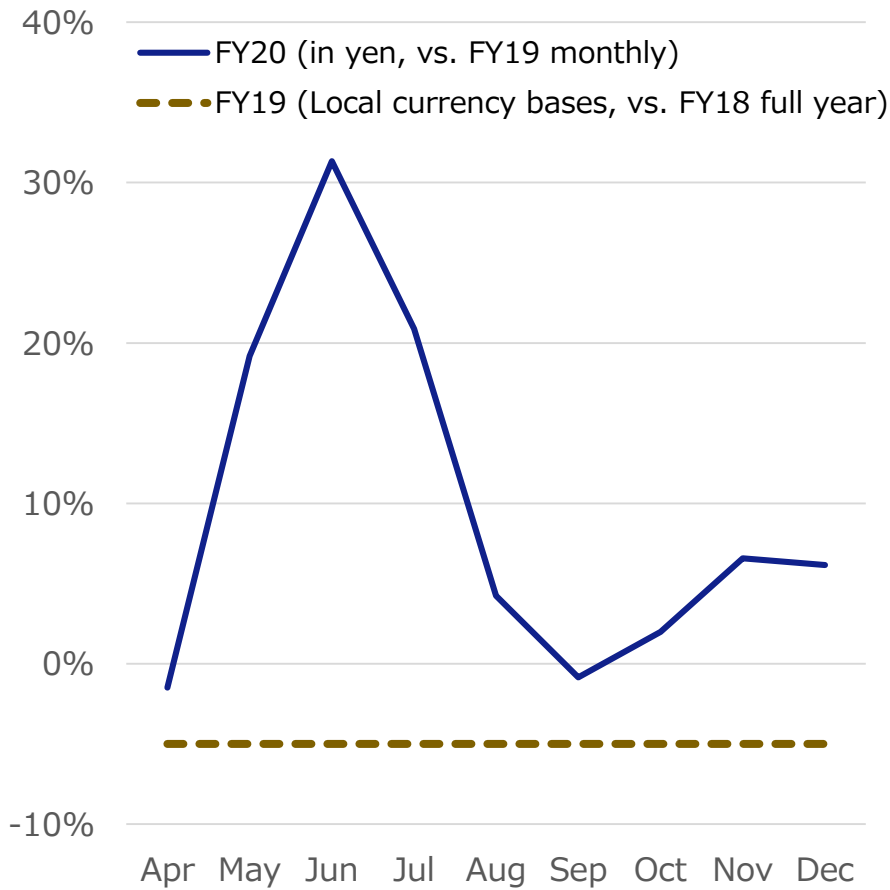
- Sales fell vs last year, when PC demand rose with end of OS support

\*1 The indicators in projector sales trends are based on values tracked internally by Epson

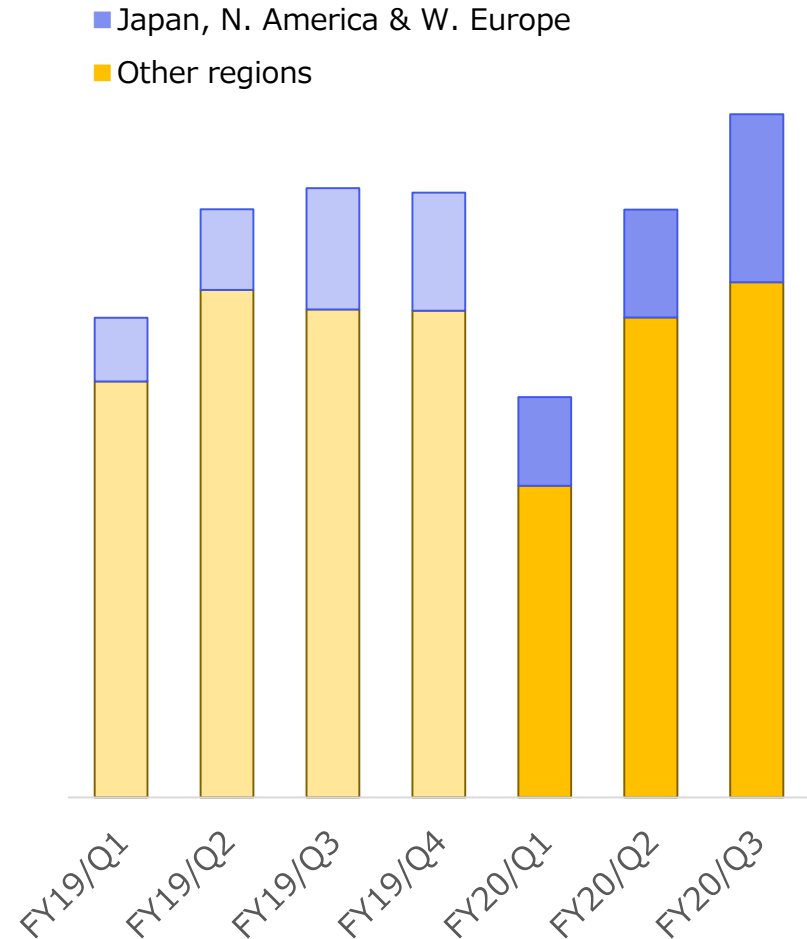
\*2 Office shared IJP: A printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service

\*3 Restated FY19 according to changes in product groups in FY20

Monthly Ink Revenue Trend (YoY) 

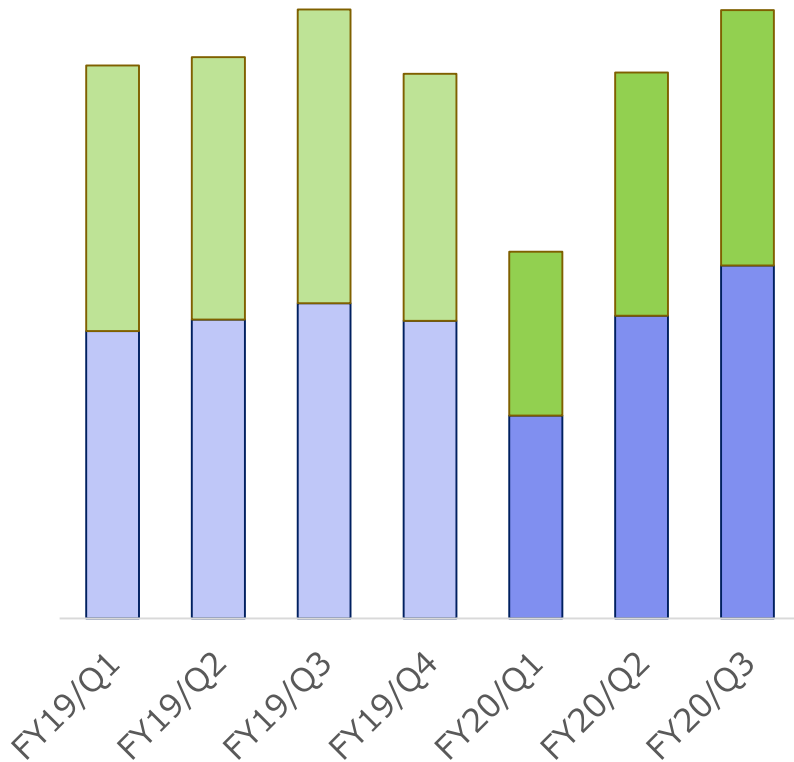


High-Capacity Ink Tank Printer  
Unit Sales Trend



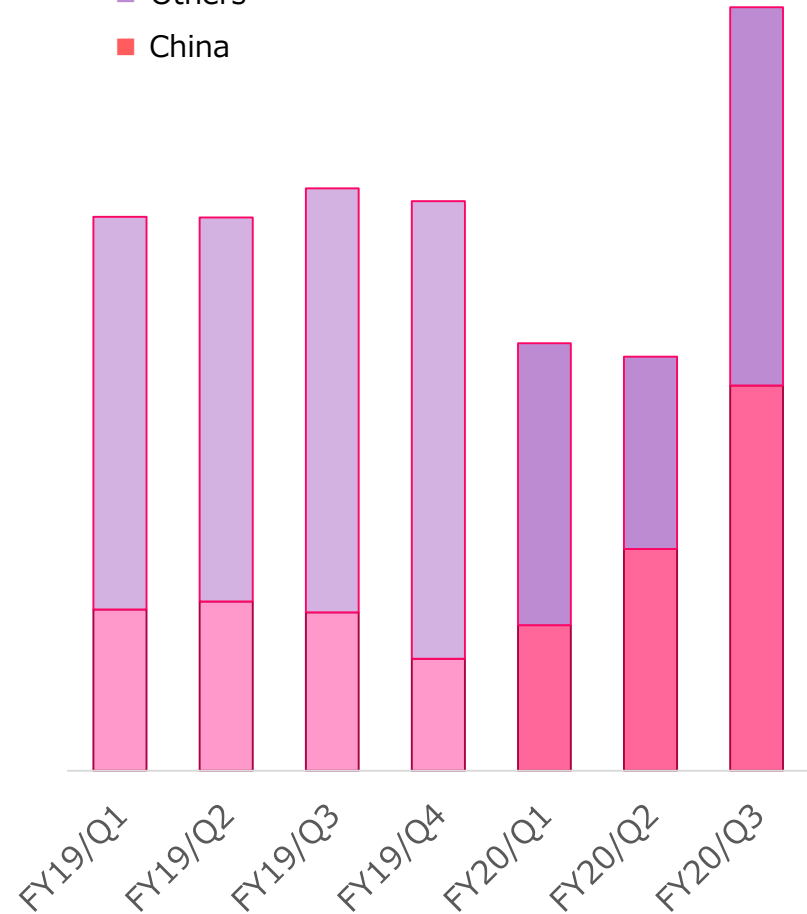
Finished Product Business Revenue Trend

- Existing areas (photo)
- Growth areas (corporate, signage, textile, label)



Printhead Sales Business Revenue Trend

- Others
- China



# Quarterly Comparison by Business

Visual Communications	Q3/FY2019 Actual	Q3/FY2020 Actual
Revenue	46.8	40.7
Segment profit	2.9	1.7
ROS	6.3%	4.3%

## ◆ Projector sales trends\*1

			Q3/FY19 Actual	Q3/FY20 Actual
Hardware	Revenue	YoY %	-7%	-13%
		JPY	-3%	-12%
	Local currency	-4%	-20%	
	Volume	YoY %	-4%	-20%

(Billions of yen)

Y/Y	Exchange effect
-6.1	-0.3
-1.2	+0.2

## Visual communications

### ◆ Projector

- Market stagnated for medium- and high-brightness office projectors due to COVID-19

\* 1 The indicators in projector sales trends are based on values tracked internally by Epson

Wearable & Industrial Products	Q3/FY2019 Actual	Q3/FY2020 Actual
Revenue	39.4	39.4
Wearable Products	12.0	7.9
Robotics Solutions	5.2	6.8
Microdevices, Other	23.5	25.3
Inter-segment revenue	-1.3	-0.6
Segment profit	1.7	1.5
ROS	4.4%	4.1%

(Billions of yen)

Y/Y	Exchange effect
+0.0	-0.6
-4.0	
+1.6	
+1.8	
+0.6	
-0.1	-0.3

## Wearable products

- ◆ Sales declined due to watch market stagnation

## Robotics solutions

- ◆ Sales increased in China and the Americas, etc.

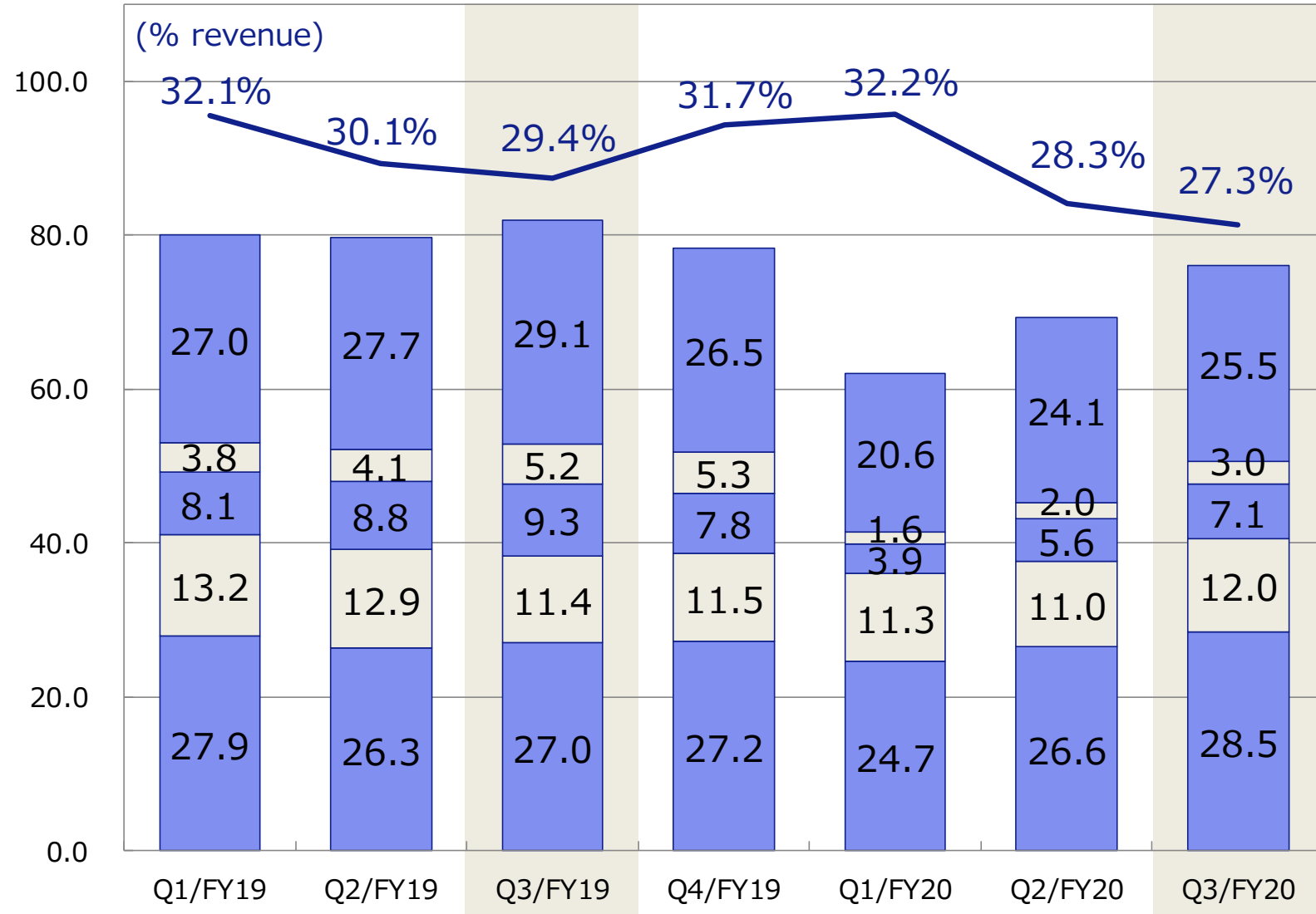
## Microdevices and other

- ◆ Crystal device
  - Strong demand for Wi-Fi equipment, PCs and healthcare applications
- ◆ Semiconductor
  - Foundry demand firm

# Selling, General and Administrative Expenses

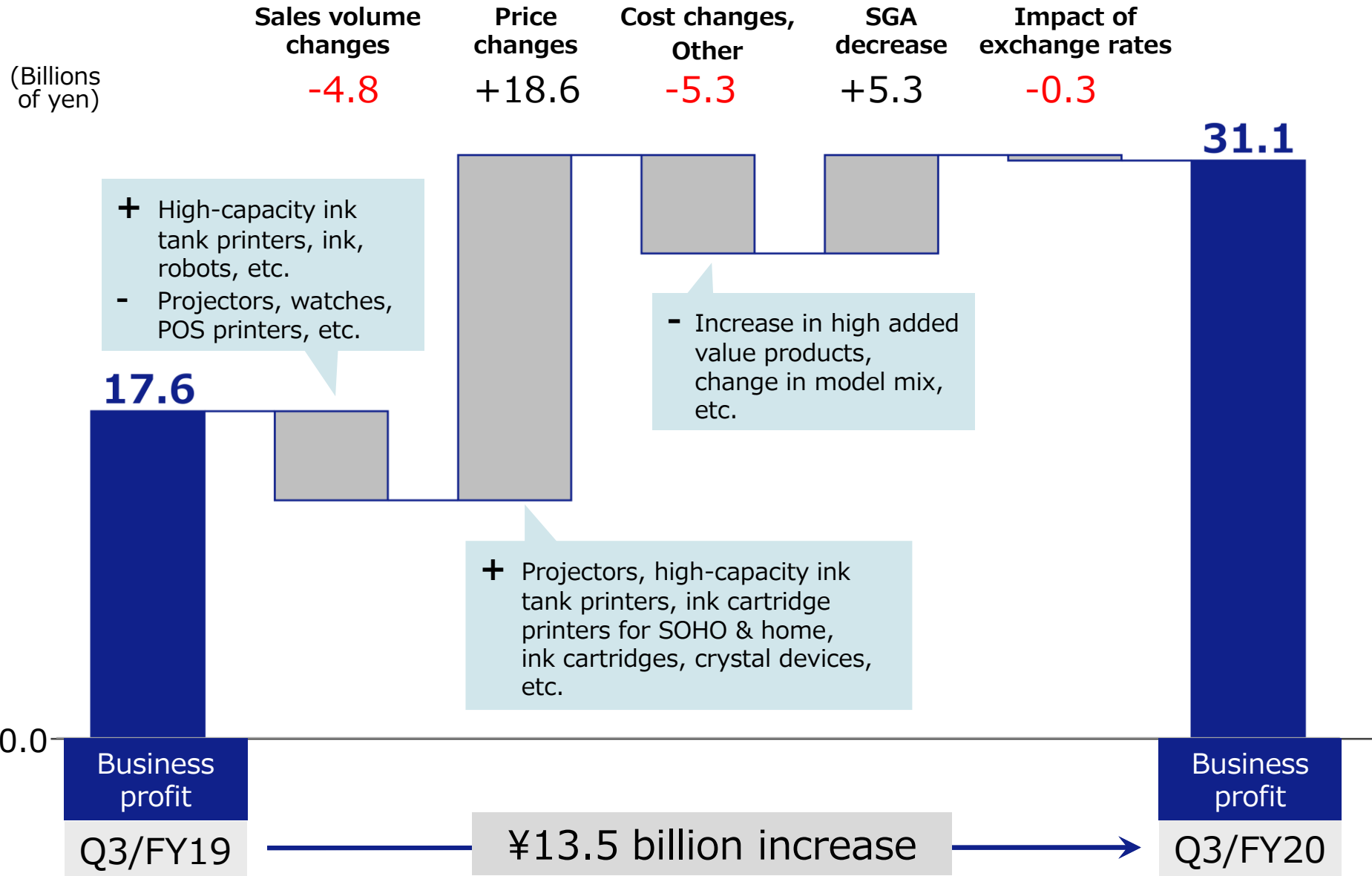
(Billions of yen)	80.2	80.1	82.2	78.5	62.2	69.5	<b>76.2</b>
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Y/Y	-6.0
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Other	-3.6
Advertising	-2.2
Sales Promotions	-2.2
Research & Development	+0.6
Salaries & Wages	+1.5

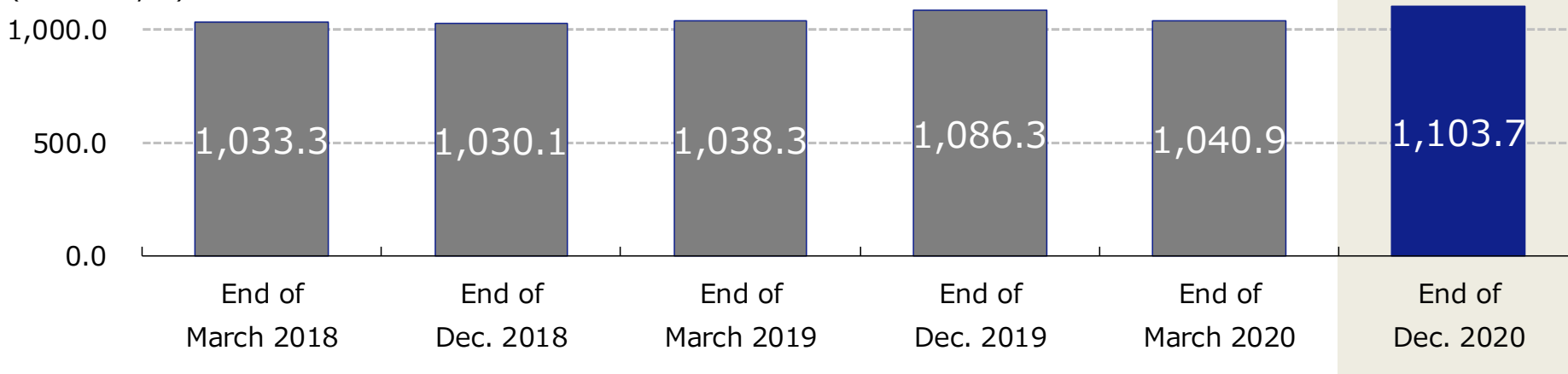
# Q3 Business Profit Change Cause Analysis



# Statements of Financial Position

## Total assets

(Billions of yen)



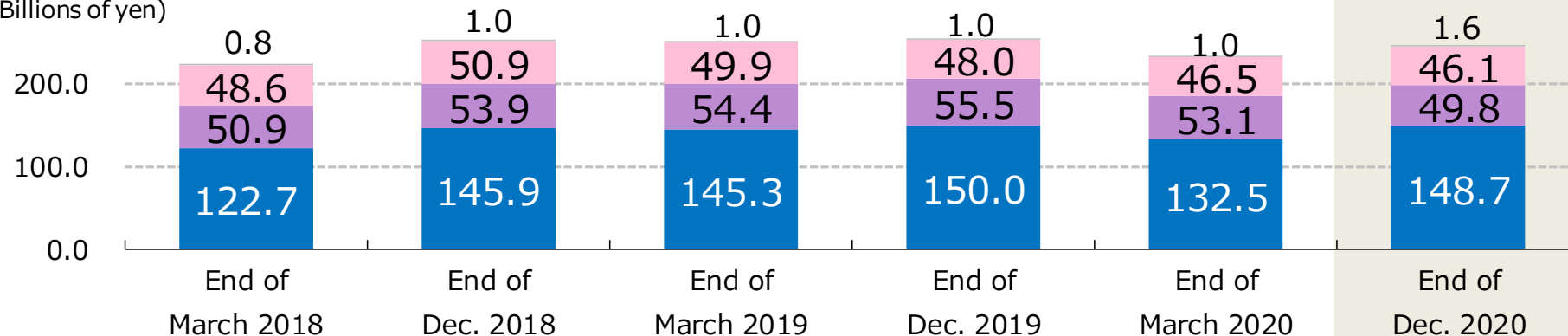
## Inventories/ Turnover by days

■ Printing Solutions ■ Visual Communications  
■ Wearable & Industrial Products ■ Other/ Corporate expenses

Inventories	223.2	251.8	250.7	254.7	233.4	<b>246.3 Billion</b>
Turnover by days	74	84	84	88	82	<b>94 days</b>

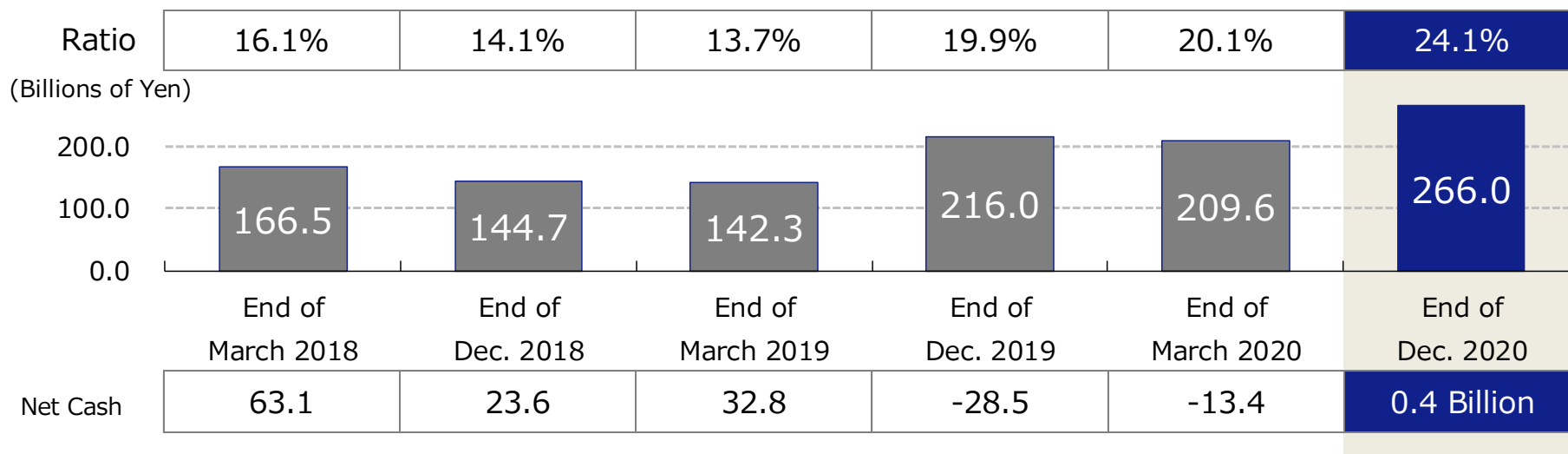
\* Turnover by days : Interim (Ending) balance of inventory / Prior 9 months (Prior 12 months) revenue per day

(Billions of yen)

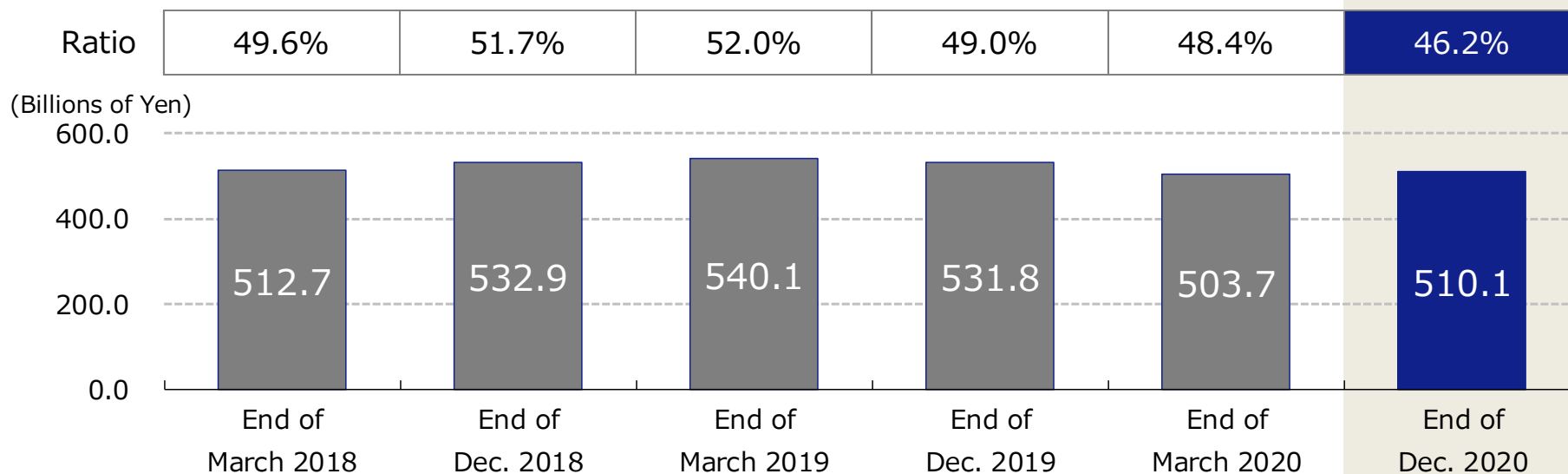




## Interest-bearing liabilities and ratio of interest-bearing liabilities, Net Cash



## Equity and equity ratio attributable to owners of the parent company



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# FY2020 Financial Outlook (Full Year)

	FY2019		FY2020				Change		
	(Billions of yen)	Actual	%	10/29 Outlook	%	1/28 Outlook	%	Y/Y	Vs. 10/29 outlook
Revenue		1,043.6		960.0		980.0		-63.6 -6.1%	+20.0 +2.1%
Business profit		40.8	3.9%	35.0	3.6%	50.0	5.1%	+9.1 +22.4%	+15.0 +42.9%
Profit from operating activities		39.4	3.8%	28.0	2.9%	38.0	3.9%	-1.4 -3.7%	+10.0 +35.7%
Profit before tax		39.7	3.8%	24.0	2.5%	34.0	3.5%	-5.7 -14.4%	+10.0 +41.7%
Profit for the year attributable to owners of the parent company		7.7	0.7%	8.0	0.8%	18.0	1.8%	+10.2 +132.8%	+10.0 +125.0%
EPS* <sup>1</sup> (yen)		22.26		23.12		52.03			
Exchange rate (yen, index)	USD	¥108.74		¥106.00		¥105.00			
	EUR	¥120.85		¥122.00		¥123.00			
	Other currencies* <sup>2</sup>	100		92		93			
Exchange rate assumptions from Q4 (yen)	USD	102.00	Exchange sensitivity * <sup>3</sup>	USD		EUR		Other currencies	Total exchange effect outlook
	EUR	125.00		Revenue	-2.7	-1.3	-2.7	-23.0	
				Business profit	+0.7	-0.8	-1.2	-4.0	

\*1 Basic earnings per share for the year

\*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous fiscal year  
Rates are weighted according to Epson's net volume of revenue and cost for each currency.

\*3 Annual impact of a 1-yen increase in the value of the yen versus the USD & EUR (in billions of yen)  
Annual impact of a 1% increase in the value of the yen versus other currencies (in billions of yen)

- Demand will continue to recover to varying degrees depending on region and product
- Risk of logistics delays due to shortage of shipping containers
- Cost containment to continue, but invest as needed for resumption of business

## Printing solutions

- Sustained at-home print demand
- High-capacity ink tank printer unit shipment forecast revised upward due to production increase
- Demand for commercial & industrial IJP to progressively recover

## Visual communications

- Demand recovery will continue, but recovery of medium- and high-brightness projectors will be delayed
- Continue to control costs and position the business to efficiently generate earnings

## Wearable & industrial products

- Continued difficult conditions in the watch market
- Firm demand for robots and microdevices

# FY2020 Financial Outlook by Business Segment

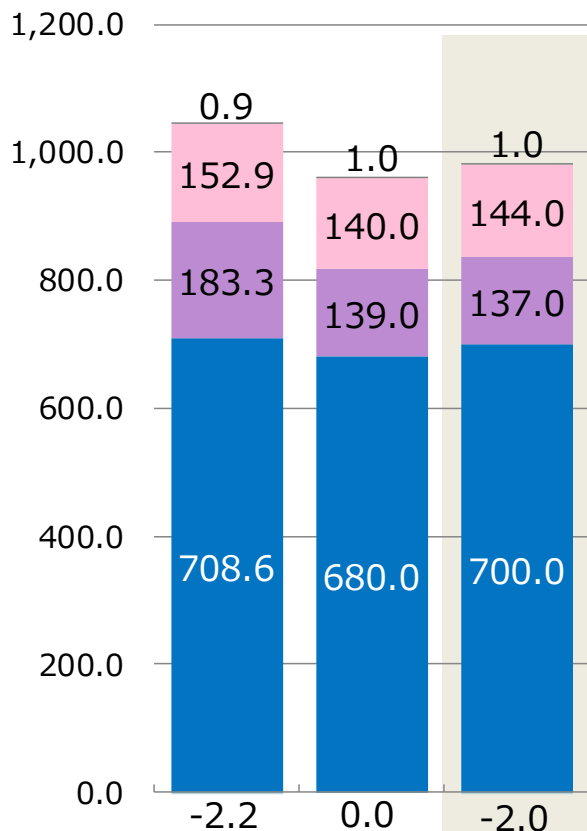
## Revenue

## Consolidated

(Billions of yen)

1,043.6	960.0	<b>980.0</b>
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Y/Y	-63.6
vs. 10/29	+20.0



Other

Wearable & Industrial Products

Y/Y	-8.9
vs. 10/29	+4.0

Visual Communications

Y/Y	-46.3
vs. 10/29	-2.0

Printing Solutions

Y/Y	-8.6
vs. 10/29	+20.0

Corporate expenses & Eliminations

Y/Y	+0.2
vs. 10/29	-2.0

FY2019 Actual	FY2020 10/29 Outlook	FY2020 1/28 Outlook
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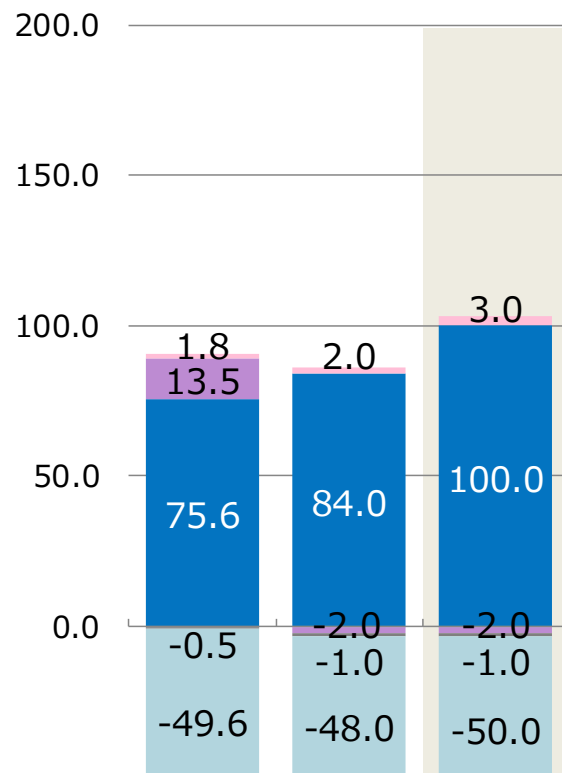
## Business profit

## Consolidated

(Billions of yen)

40.8	35.0	<b>50.0</b>
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Y/Y	+9.1
vs. 10/29	+15.0



Wearable & Industrial Products

Y/Y	+1.1
vs. 10/29	+1.0

Visual Communications

Y/Y	-15.5
vs. 10/29	-

Printing Solutions

Y/Y	+24.3
vs. 10/29	+16.0

Other

Corporate expenses & Eliminations

Y/Y	-0.3
vs. 10/29	-2.0

FY2019 Actual	FY2020 10/29 Outlook	FY2020 1/28 Outlook
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# FY2020 Outlook Comparison by Business

(Billions of yen)

Printing Solutions	FY2019 Actual	FY2020 10/29 Outlook	FY2020 1/28 Outlook	Y/Y	vs. 10/29 Outlook
Revenue	708.6	680.0	700.0	-8.6	+20.0
Printers	482.5	485.0	503.0	+20.4	+18.0
% sales Office & home IJP	84%	87%	87%		
SIDM	7%	5%	5%		
Other	9%	8%	8%		
Professional Printing	197.9	178.0	179.0	-18.9	+1.0
% sales C&I IJP	64%	69%	69%		
POS printers, other	36%	31%	31%		
Other	28.2	17.0	18.0	-10.2	+1.0
Inter-segment revenue	-0.1	0.0	0.0	+0.1	-
Segment profit	75.6	84.0	100.0	+24.3	+16.0
ROS	10.7%	12.4%	14.3%		

## Printer business

### ◆ Office & home IJP

- Revenue to increase on high-capacity ink tank printer unit shipment growth
- SOHO/ home ink cartridge printer unit shipments will decrease, but revenue will be flat YoY
- Ink revenue will continue to grow
- Office shared IJP sales will steadily expand in a challenging hardware market environment

### ◆ SIDM

- Sales to decline chiefly in China

## Professional printing

### ◆ Commercial & industrial IJP

- Finished products business to recover after Q2 amid market stagnation caused by COVID-19
- Printhead sales were soft in the 1st half, but sales will increase in the 2nd half as new customers increase and sales to existing customers recover

### ◆ POS printer

- Demand in advanced economies will decrease

## Other

- ◆ Extra PC demand will wind down.

## ◆ Office & home IJP Sales Trends\*1

			FY19 Actual	FY20 10/29 Outlook	FY20 1/28 Outlook
		YoY %	+1%	-4%	-3%
Hardware	Volume	Approx., million	15.7	15.0	15.2
		High-capacity ink tank printers	10.0	10.0	10.3
		SOHO/ Home I/C model	5.3	4.7	4.6
		Office shared IJP*2	0.4	0.3	0.3
		JPY	-8%	+2%	+6%
Ink	Revenue	YoY %	-5%	-	-
Office shared IJP	Revenue	Composition ratio within office & home IJP*3	10%	10%	10%

\*1 The indicators in projector sales trends are based on values tracked internally by Epson

\*2 Office shared IJP: A printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service

\*3 Restated FY19 according to changes in product groups in FY20

# FY2020 Outlook Comparison by Business

(Billions of yen)

Visual Communications	FY2019 Actual	FY2020 10/29 Outlook	FY2020 1/28 Outlook	Y/Y	vs. 10/29 Outlook
Revenue	183.3	139.0	137.0	-46.3	-2.0
Segment profit	13.5	-2.0	-2.0	-15.5	-
ROS	7.4%	-1.4%	-1.5%		

## ◆ Projector Sales Trends\*1

		FY19 Actual	FY20 10/29 Outlook	FY20 1/28 Outlook
Hardware	Volume	-9%	-30%	-31%
	YoY % Approx., million	2.4	1.6	1.6

## Visual communications

### ◆ Projector

- The market will shrink (by ~35% YoY) due to competition from FPDs as well as impact from COVID-19
- Review cost structure and continue to rigorously reduce costs

\*1 The indicators in projector sales trends are based on values tracked internally by Epson

(Billions of yen)

Wearable & Industrial Products	FY2019 Actual	FY2020 10/29 Outlook	FY2020 1/28 Outlook	Y/Y	vs. 10/29 Outlook
Revenue	152.9	140.0	144.0	-8.9	+4.0
Wearable Products	44.0	29.0	28.0	-16.0	-1.0
Robotics Solutions	21.2	24.0	27.0	+5.7	+3.0
Microdevices, Other	92.9	89.0	91.0	-1.9	+2.0
Inter-segment revenue	-5.3	-2.0	-2.0	+3.3	-
Segment profit	1.8	2.0	3.0	+1.1	+1.0
ROS	1.2%	1.4%	2.1%		

## Wearable products

- Difficult conditions will persist in the watch market

## Robotics solutions

- Firm demand will continue

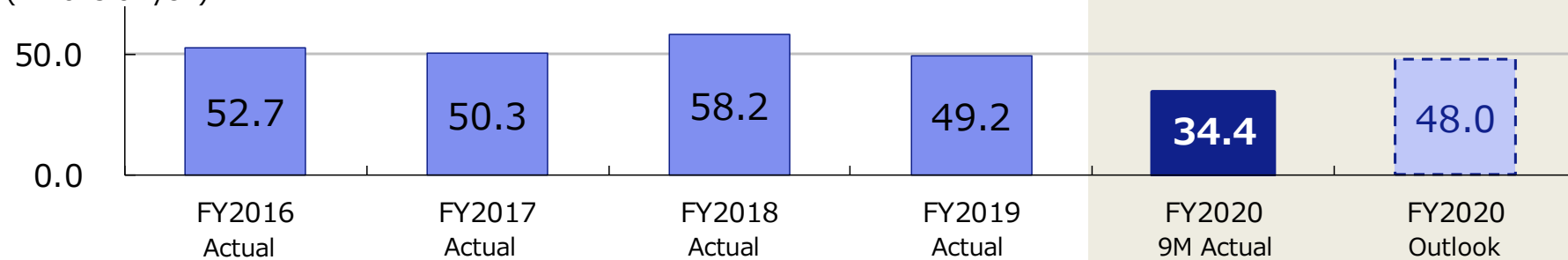
## Microdevices and other

- Firm demand will continue

# R&D Costs, Capital Expenditure and Depreciation and Amortization Expenses

## Research & Development Costs

(Billions of yen)

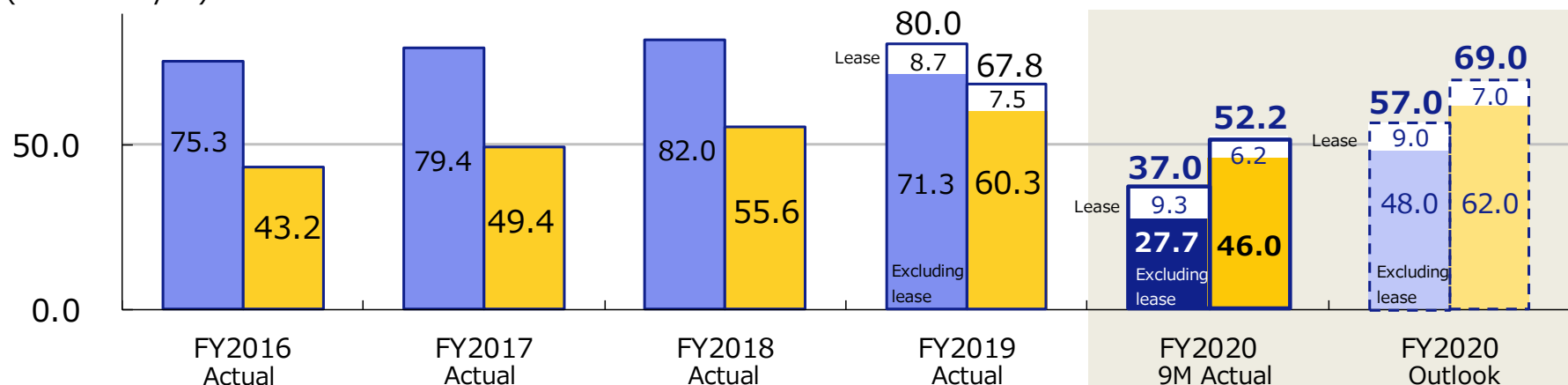


## Capital Expenditure and Depreciation and Amortization Expenses

(Billions of yen)

■ Capital Expenditure

■ Depreciation & Amortization Expenses



	Capex.	Depreciation & Amortization	Capex.	Depreciation & Amortization	Capex.	Depreciation & Amortization
Printing Solutions	43.5	37.7	20.2	28.5	28.0	38.0
Visual Communications	14.1	11.7	6.2	9.6	10.0	13.0
Wearable & Industrial Products	14.7	10.3	6.1	7.7	12.0	11.0
Other, Corporate	7.5	7.9	4.3	6.2	7.0	7.0

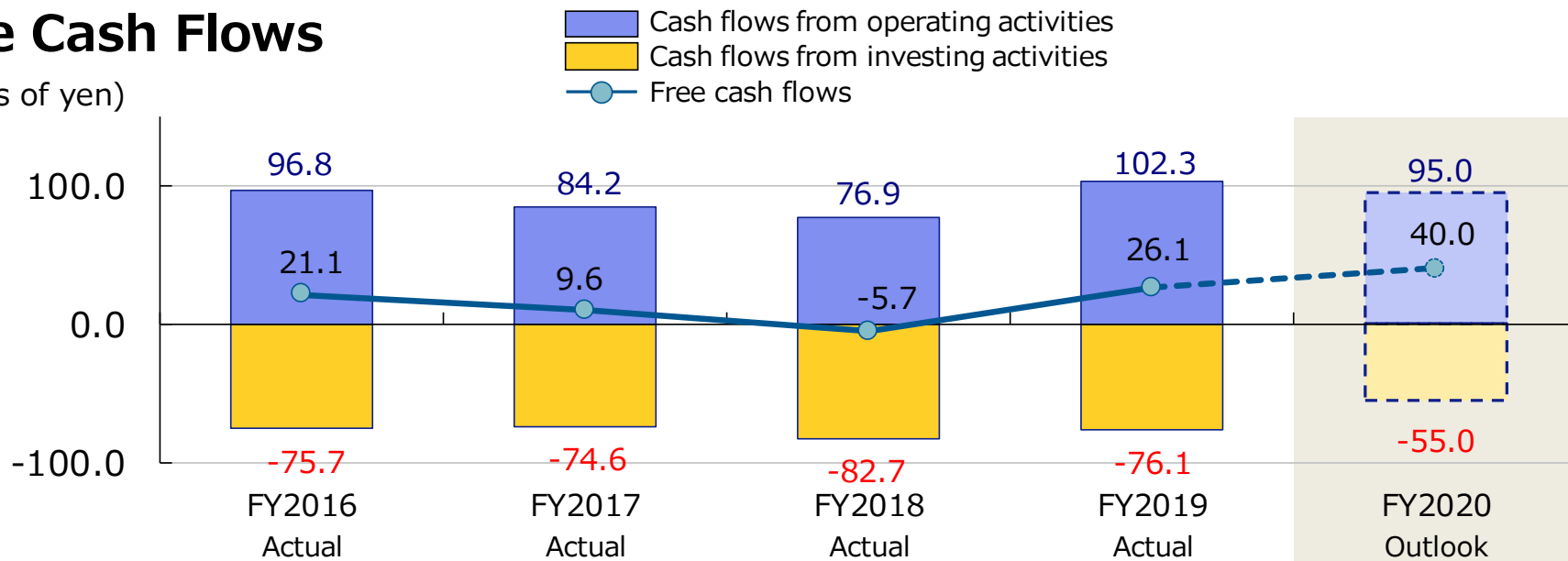
Includes lease from FY2019 actual



# Free Cash Flows Main Management Indices

## Free Cash Flows

(Billions of yen)



## Main Management Indices

(%)

	FY2016 Actual	FY2017 Actual	FY2018 Actual	FY2019 Actual	FY2020 Outlook
<b>ROS</b> *1	6.4	6.8	6.5	3.9	5.1
<b>ROA</b> *2	6.9	7.4	6.8	3.9	4.7
<b>ROE</b> *3	10.1	8.3	10.2	1.5	3.6

\*1 ROS: Business profit/ revenue

\*2 ROA: ROA (Business profit), Business profit / Beginning and ending balance average total assets

\*3 ROE: Profit for the year attributable to owners of the parent company / Beginning and ending balance average equity attributable to owners of the parent company

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## ■ Basic policy on dividends

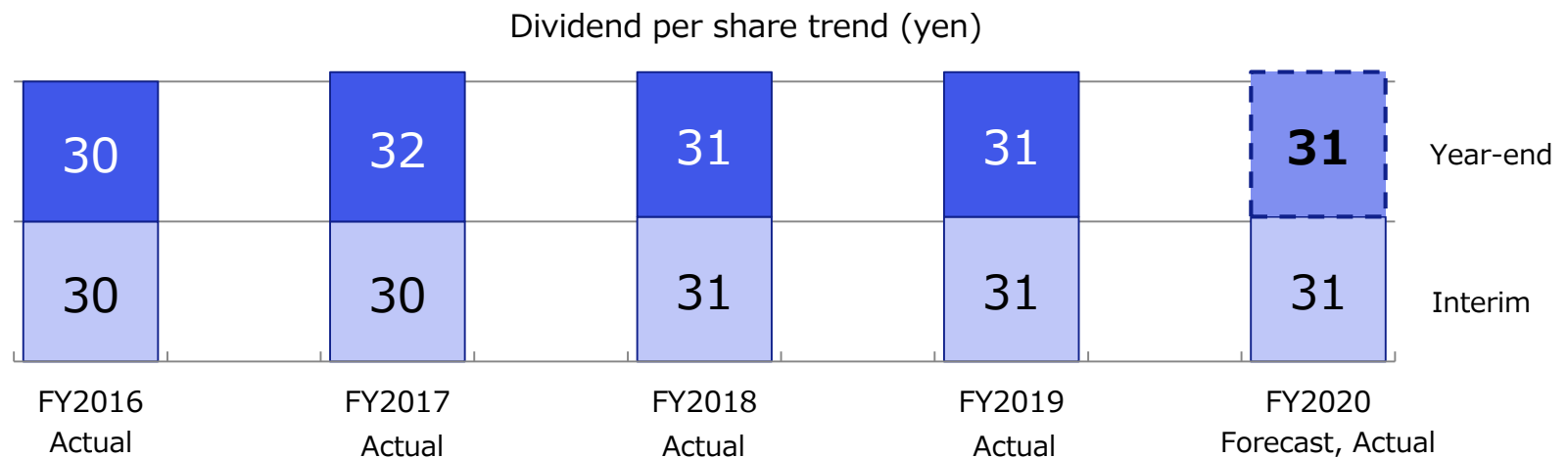
- Build a robust financial structure while proactively providing returns to shareholders
- Achieve a consolidated dividend payout ratio\* of around 40% over the mid-term

\* Calculated based on profit after an amount equivalent to the statutory effective tax rate is deducted from business profit, which shows profit from operations

## ■ FY2020 annual dividend outlook

- 62 yen per share, the same as in FY2019

## ■ Dividends and forecast



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- **Efforts for Sustainable Growth**

- Epson 25 Corporate Vision is being revised, and a new mid-range business plan will be announced in mid March
  - Contribute to solutions for societal issues through our business activities
  - Provide products and services that accelerate changes for the new normal
  - Manage with a greater emphasis on profit margins



High-capacity ink tank printer



Office shared IJP



Epson Cloud Solution PORT



SCARA robot



Projector



Digital inkjet textile printer



Flat-bed printer with UV ink



Microdevice



Printhead



Watch

- Epson placed on the A list by CDP for leadership in climate change and water security
  - Only 17 Japanese companies made the A list in 2 categories
  - Efforts to reduce environmental impacts recognized



- Multiple Epson sites earned Platinum in RBA audit\*
  - Epson joined the RBA as a regular member in 2019
  - Achieve by promoting CSR in accordance with the RBA Code of Conduct



**Responsible Business Alliance**  
Advancing Sustainability Globally

Site	Main Items Produced	Certification date
Indonesia	High-capacity ink tank printers, SOHO/ home IJPs, office shared IJPs, SIDM printers, large-format printers, scanners	October 31, 2020
Thailand	Crystal devices	December 5, 2020

\*Awarded to companies that earn a full score of 200 points in the audit

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# Reference

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# Financial Highlights (First 9 Months)

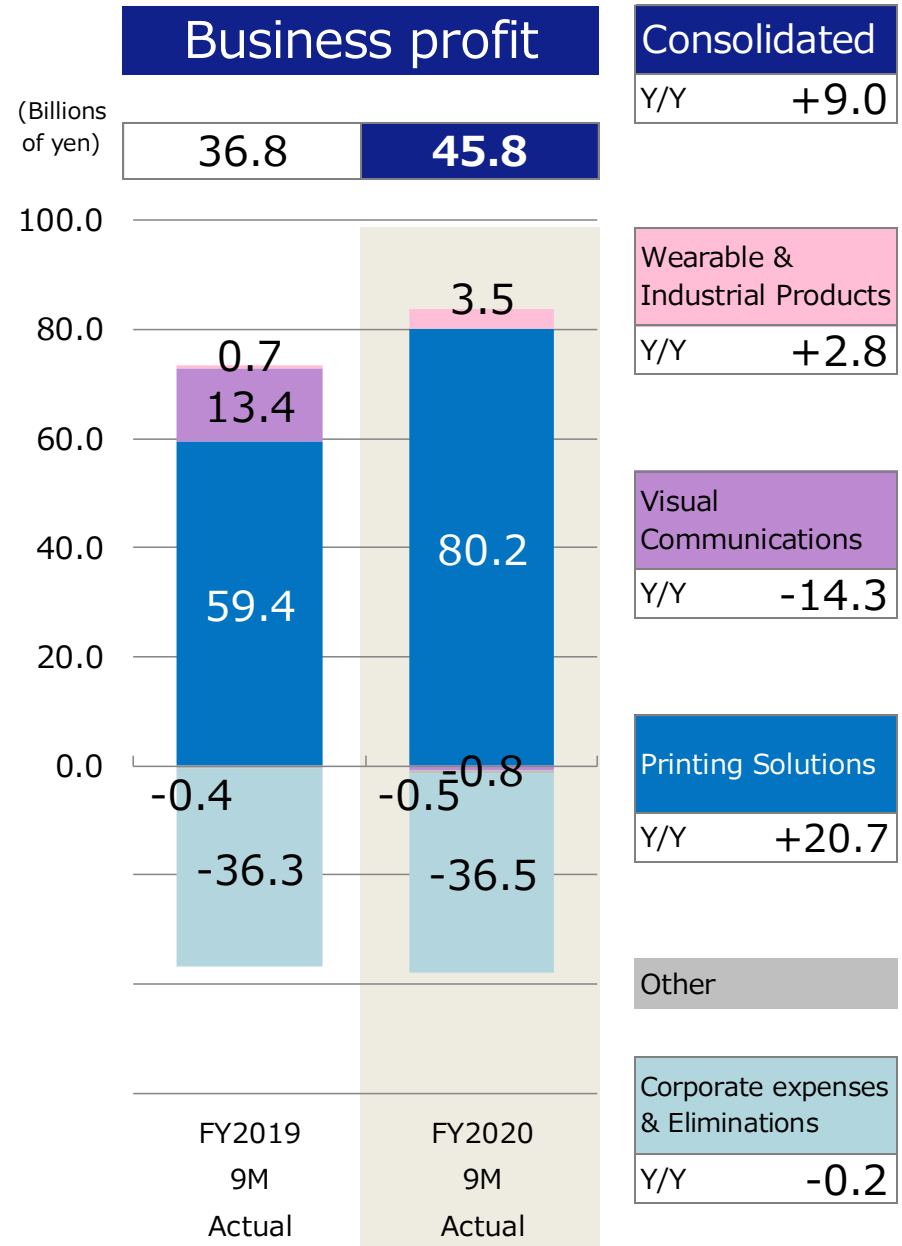
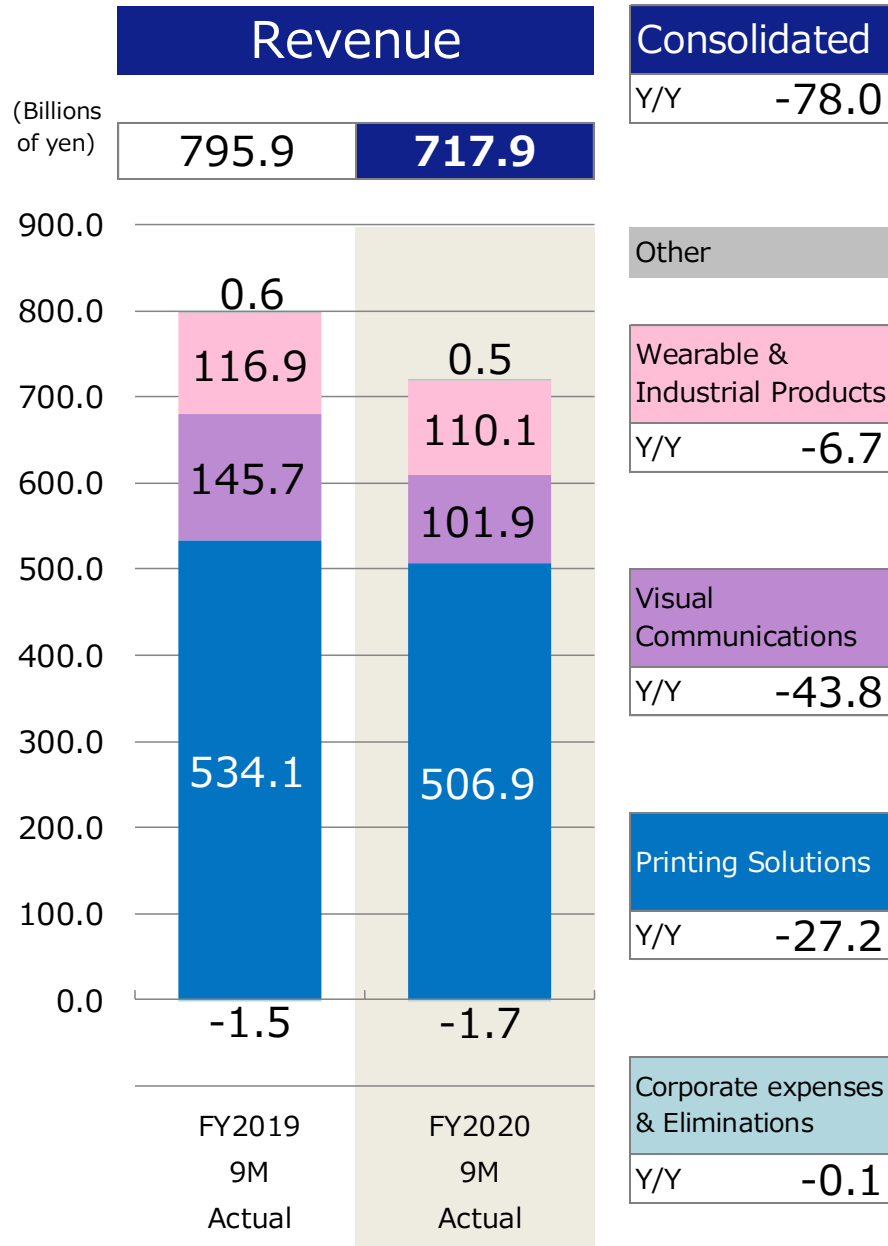
(Billions of yen)	FY2019		FY2020		Change	
	First 9 Months Actual	%	First 9 Months Actual	%	Y/Y	%
Revenue	795.9		717.9		-78.0	-9.8%
Business profit	36.8	4.6%	45.8	6.4%	+9.0	+24.5%
Profit from operating activities	37.0	4.6%	33.9	4.7%	-3.1	-8.4%
Profit before tax	36.4	4.6%	29.8	4.2%	-6.6	-18.2%
Profit for the period attributable to owners of the parent company	24.5	3.1%	20.2	2.8%	-4.2	-17.3%
EPS <sup>*1</sup> (yen)	70.51		58.66			
Exchange rate (yen, index)	USD	¥108.65	¥106.06			
	EUR	¥121.08	¥122.33			
	Other currencies <sup>*2</sup>	100	92			

\*1 Basic earnings per share for the period

\*2 Index showing weighted average variance of rates for currencies other than USD and EUR against a benchmark of 100 for the previous period. Rates are weighted according to Epson's net volume of revenue and cost for each currency

Exchange effect (Billions of yen)	USD	EUR	Other currencies	Total
Revenue	-5.5	+1.6	-11.1	-15.0
Business profit	+1.1	+1.1	-6.5	-4.3

# 9M Financial Results by Business Segment



# 9M Comparison by Business

(Billions of yen)

Printing Solutions	9M/FY2019 Actual	9M/FY2020 Actual	Y/Y	Exchange effect
Revenue	534.1	506.9	-27.2	-12.4
Printers	362.0	369.0	+6.9	
% sales Office & home IJP	84%	87%		
SIDM	7%	5%		
Other	9%	8%		
Professional Printing	150.9	126.4	-24.5	
% sales C&I IJP	64%	68%		
POS printers, other	36%	32%		
Other	21.1	11.5	-9.6	
Inter-segment revenue	-0.0	-0.0	-0.0	
Segment profit	59.4	80.2	+20.7	-4.0
ROS	11.1%	15.8%		

# 9M Comparison by Business

(Billions of yen)

Visual Communications	9M/FY2019 Actual	9M/FY2020 Actual	Y/Y	Exchange effect
Revenue	145.7	101.9	-43.8	-1.3
Segment profit	13.4	-0.8	-14.3	+0.0
ROS	9.2%	-0.8%		

(Billions of yen)

Wearable & Industrial Products	9M/FY2019 Actual	9M/FY2020 Actual	Y/Y	Exchange effect
Revenue	116.9	110.1	-6.7	-1.4
Wearable Products	35.0	21.0	-14.0	
Robotics Solutions	15.3	21.2	+5.8	
Microdevices, Other	70.8	69.5	-1.2	
Inter-segment revenue	-4.2	-1.6	+2.6	
Segment profit	0.7	3.5	+2.8	-0.5
ROS	0.6%	3.2%		

# Main Product Sales Trends

The indicators in this document are based on values tracked internally by Epson

\*1 Office shared IJP: A printer category for high print volume office users. This includes LIJ, RIPS, I/C printers, ink, managed print services and other subscription service printers, and paid service.

\*2 LC: Local Currency base

\*3 Restated FY19 according to changes in product groups in FY20

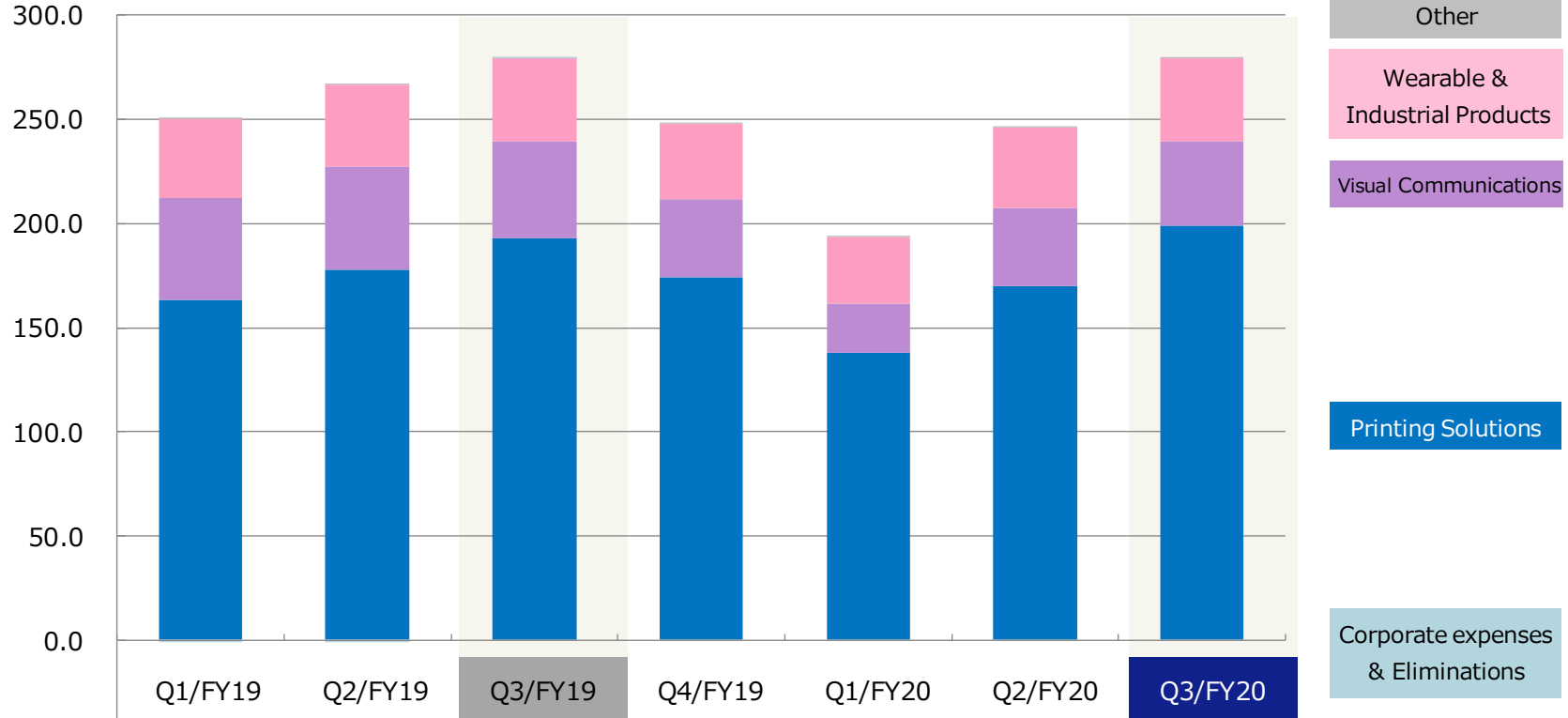
				FY2019 Full-year Actual	FY2020 Q1 Actual	FY2020 Q2 Actual	FY2020 Q3 Actual	FY2020 Full-year Outlook
				USD	108.74	107.54	106.16	104.48
				EUR	120.85	118.39	124.10	123.00
Printing Solutions	Office & Home IJP Hardware	Revenue (JPY)	YoY %	-0%	-14%	+2%	+17%	+10%
		Revenue (LC*2)	YoY %	+4%	-8%	+5%	+22%	-
		Volume	YoY %	+1%	-17%	-9%	+2%	-3%
		Volume (Approx., million)	Units	15.7	-	-	-	15.2
		High-capacity ink tank printers	Units	10.0	-	-	-	10.3
		SOHO/ Home I/C model	Units	5.3	-	-	-	4.6
		Office shared IJP	Units	0.4	-	-	-	0.3
	Office & Home IJP Ink	Revenue within office & home IJP Ink / (HW+Ink)	Composition ratio	48%	-	-	-	47%
		Revenue (JPY)	YoY %	-8%	+15%	+7%	+5%	+6%
		Revenue (LC*2)	YoY %	-5%	+19%	+8%	+6%	-
	Office Shared IJP*1 (Hardware + Ink)	Revenue within office & home IJP*3	Composition ratio	10%	9%	10%	9%	10%
	SIDM Hardware	Revenue (JPY)	YoY %	-19%	-43%	-16%	-19%	-15%
		Revenue (LC*2)	YoY %	-16%	-40%	-15%	-18%	-
Volume		YoY %	-16%	-39%	-16%	-22%	-15%	
Visual Communications	Projectors Hardware	Revenue (JPY)	YoY %	-9%	-52%	-24%	-13%	-25%
		Revenue (LC*2)	YoY %	-6%	-50%	-24%	-12%	-
		Volume	YoY %	-9%	-57%	-32%	-20%	-31%
		Volume (Approx., million)	Units	2.4	-	-	-	1.6

# Quarterly Revenue Trend By Business Segment

Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	106.16	104.48	-4.24
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51	+4.16

Revenue (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	Y/Y
Printing Solutions	163.2	178.0	192.9	174.4	138.0	169.8	199.0	+6.1
Visual Communications	49.2	49.6	46.8	37.5	23.5	37.6	40.7	-6.1
Wearable & Industrial Products	38.1	39.3	39.4	36.0	31.8	38.8	39.4	+0.0
Other	0.2	0.2	0.2	0.2	0.1	0.2	0.2	-0.0
Corporate expenses & Eliminations	-1.1	-0.7	0.3	-0.6	-0.3	-0.6	-0.6	-1.0
<b>Consolidated total</b>	<b>249.6</b>	<b>266.4</b>	<b>279.8</b>	<b>247.6</b>	<b>193.2</b>	<b>245.9</b>	<b>278.8</b>	<b>-1.0</b>

(Billions of yen)

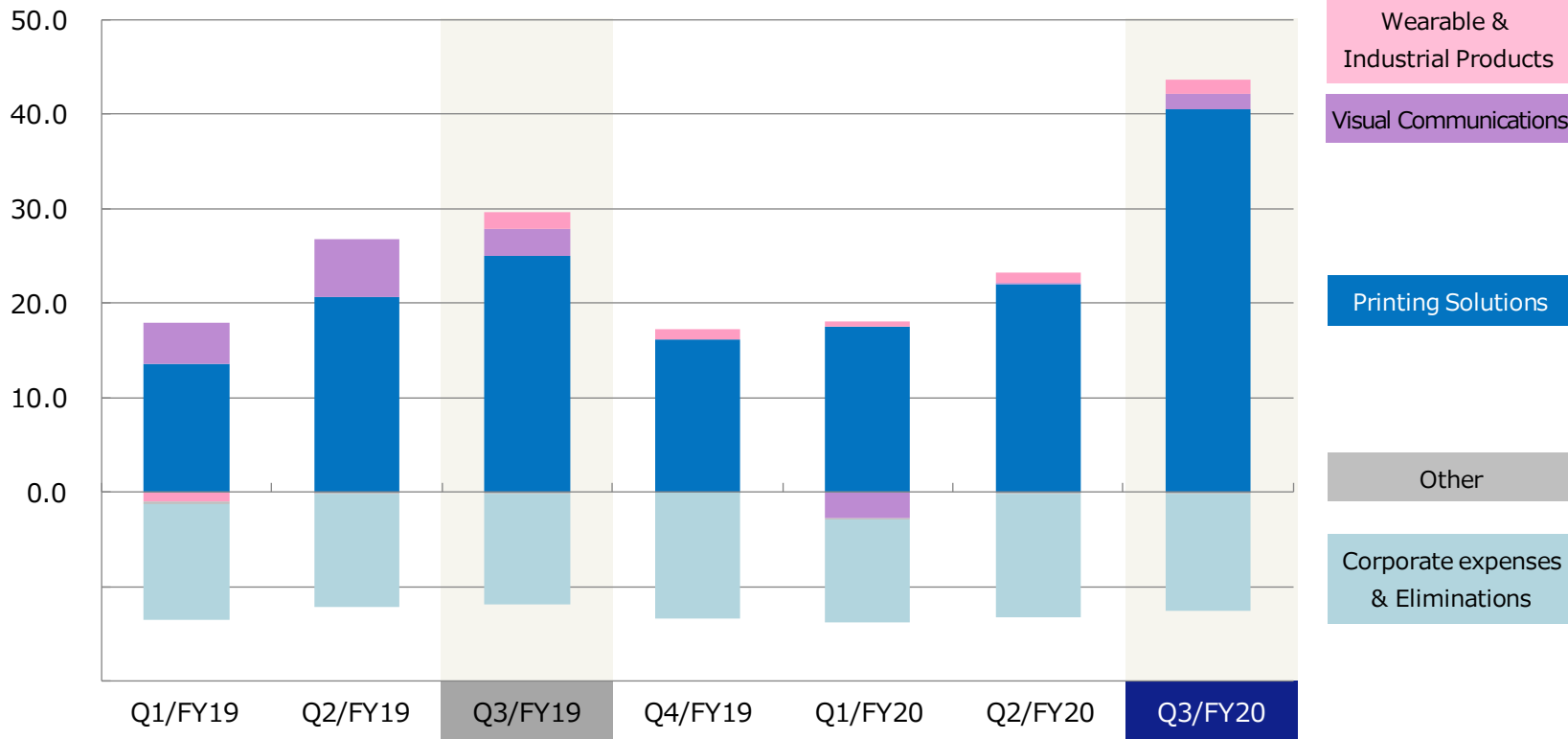


# Quarterly Business Profit Trend By Business Segment

Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	106.16	104.48	-4.24
	(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51

Business profit (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	Y/Y
Printing Solutions	13.6	20.7	25.0	16.2	17.5	22.0	40.5	+15.4
Visual Communications	4.3	6.1	2.9	0.0	-2.7	0.1	1.7	-1.2
Wearable & Industrial Products	-1.0	-0.0	1.7	1.1	0.6	1.2	1.5	-0.1
Other	-0.2	-0.1	-0.1	-0.0	-0.2	-0.1	-0.1	-0.0
Corporate expenses & Eliminations	-12.3	-12.0	-11.8	-13.3	-10.9	-13.1	-12.5	-0.6
<b>Consolidated total</b>	<b>4.5</b>	<b>14.6</b>	<b>17.6</b>	<b>4.0</b>	<b>4.3</b>	<b>10.2</b>	<b>31.1</b>	<b>+13.5</b>

(Billions of yen)



# Revenue to customers outside of Japan

## Employee numbers

### Revenue to customers outside of Japan

Exchange rate	USD	109.93	107.31	108.72	109.00	107.54	106.16	104.48	-4.24
(yen)	EUR	123.54	119.34	120.35	120.18	118.39	124.10	124.51	+4.16

Revenue (Billions of yen)	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20	Y/Y
The Americas	74.5	71.7	71.2	75.3	59.8	71.9	73.3	+2.1
Europe	47.9	53.7	59.3	52.9	39.7	50.0	58.7	-0.6
Asia/ Oceania	72.5	75.8	74.4	58.5	49.5	73.9	79.7	+5.3
<b>Total revenue to overseas customers</b>	195.1	201.4	205.1	186.9	149.0	195.9	211.9	+6.8
<b>Consolidated revenue</b>	249.6	266.4	279.8	247.6	193.2	245.9	278.8	-1.0

% of revenue to consolidated revenue	Q1/FY19	Q2/FY19	Q3/FY19	Q4/FY19	Q1/FY20	Q2/FY20	Q3/FY20
The Americas	29.9%	26.9%	25.5%	30.4%	31.0%	29.3%	26.3%
Europe	19.2%	20.2%	21.2%	21.4%	20.6%	20.4%	21.1%
Asia/ Oceania	29.1%	28.5%	26.6%	23.7%	25.6%	30.1%	28.6%
<b>Total</b>	78.2%	75.6%	73.3%	75.5%	77.2%	79.7%	76.0%

### Employees

Number of employees at period end (person)	End of March 2018	End of Dec. 2018	End of March 2019	End of Dec. 2019	End of March 2020	End of Dec. 2020	Compared to end of Mar. 2020
Japan	19,436	19,614	19,456	19,789	19,558	19,620	+62
Non-Japan	56,955	58,753	57,191	58,052	56,050	62,618	+6,568
<b>Consolidated total</b>	76,391	78,367	76,647	77,841	75,608	82,238	+6,630



# Major Business Indicators

(Billions of yen)

		FY2018 Actual	FY2019 Actual	FY2020 Outlook	FY2021 (FY19-21 business plan)
Exchange rate (yen)	USD	110.86	108.74	105.00	110.00
	EUR	128.40	120.85	123.00	125.00
Printing	Revenue	723.6	708.6	700.0	780.0
Solutions	Segment profit	94.5	75.6	100.0	-
Visual	Revenue	203.3	183.3	137.0	225.0
Communications	Segment profit	21.2	13.5	-2.0	-
Wearable & Industrial Products	Revenue	163.4	152.9	144.0	195.0
	Segment profit	5.5	1.8	3.0	-
Other	Revenue	0.9	0.9	1.0	-
	Segment profit	-0.5	-0.5	-1.0	-
Corporate expenses & Eliminations	Revenue	-1.6	-2.2	-2.0	-
	Segment profit	-50.2	-49.6	-50.0	-
Consolidated total	Revenue	1,089.6	1,043.6	980.0	1,200.0
	Segment profit	70.4	40.8	50.0	96.0
	ROS	6.5%	3.9%	5.1%	8%
	ROE	10.2%	1.5%	3.6%	Sustain over 10%

(Billions of yen)

	FY2018 Actual	FY2019 Actual	FY2020 Outlook	Epson 25 FY19-21 business plan 3-year cumulative Outlook
USD	110.86	108.74	105.00	110.00
EUR	128.40	120.85	123.00	125.00
Operating CF	76.9	102.3	95.0	Approx. 370
FCF	-5.7	26.1	40.0	Approx. 170
R&D costs	58.2	49.2	48.0	Invest aggressively
Capital expenditure	82.0	71.3	48.0	Approx. 200
		80.0*	57.0*	

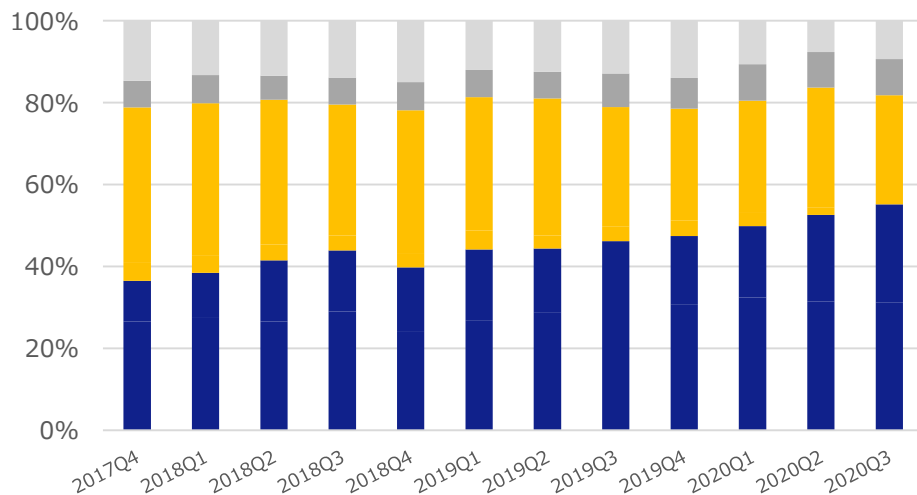
\* Including lease

# Penetration of High-Capacity Ink Tank Printers (Unit Volume)

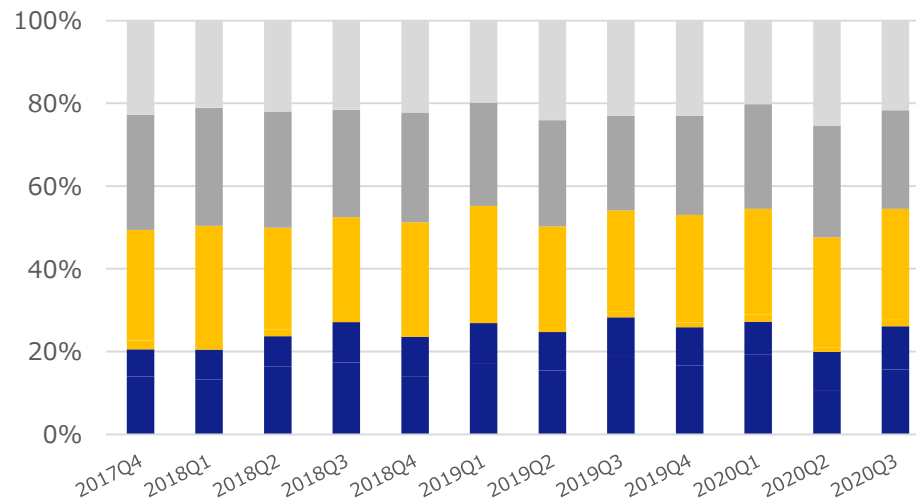
## A4 printer main unit market trend by region

All graphs show calendar year

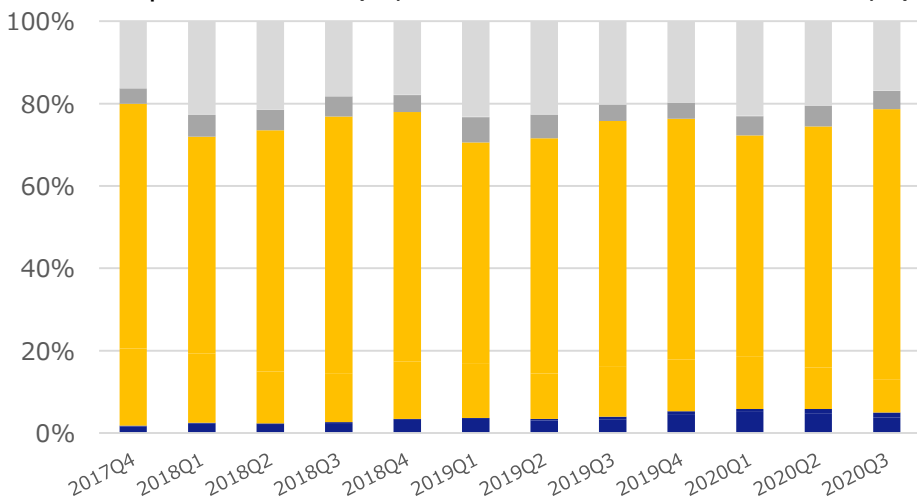
### Latin America



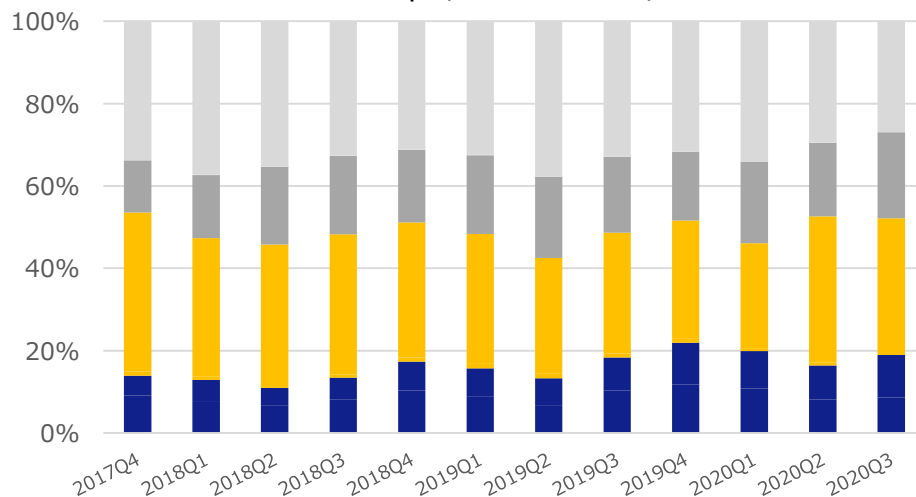
### Asia-Pacific



### Developed markets (Japan, North America, Western Europe)



### Eastern Europe, Middle East, and Africa



■ Ink tank printers      ■ Ink cartridge printers  
■ Laser printers (1-20 ppm)      ■ Laser printers (21 ppm and more)

Source: IDC Worldwide Quarterly Hardcopy Peripherals Tracker 2020Q3  
 Printers include multifunction printers. Reproduction or republication of this data is prohibited

# Definition of terms

<b>Color Control Technology</b>	Color management technology that enhances color reproducibility
<b>Epson Connect</b>	Epson's mobile cloud service for Epson products and services
<b>I/C</b>	Ink cartridges
<b>IJP</b>	Inkjet printers
<b>LIJ</b>	Line inkjet printers, high-speed line inkjet multifunction printers
<b>LP</b>	Laser printers, including multifunction printers
<b>RIPS</b>	Replaceable ink pack system, high-yield cartridge-free ink pack printers
<b>SIDM</b>	Serial impact dot matrix printers
<b>SOHO</b>	Small office, home office
<b>Office Shared IJP</b>	Printer category for high print volume office users. This includes LIJ, RIPS, and I/C printers.
<b>Photos</b>	Printer category that includes large-format printers for photo, graphics, proofing and CAD printing
<b>Commercial &amp; Industrial (C&amp;I) IJP</b>	Printer category comprising large-format inkjet printers for commercial and industrial sectors.
<b>High-capacity ink tank printers</b>	Inkjet printers with high-capacity ink tank (includes EcoTank)
<b>High-capacity ink models</b>	General term for high-capacity ink cartridge printers, high-capacity ink tank printers, RIPS, and LIJ
<b>Distributed printing</b>	Printing method that prints out same images/ documents using several printers
<b>3LCD</b>	Technology that projects images by utilizing 3LCD-chips
<b>FPD</b>	Flat panel displays
<b>OLED</b>	Organic light emitting diode
<b>High-brightness laser projectors</b>	High-lumen projectors mainly used in venues such as conference rooms and halls
<b>WP</b>	Wearable Products business
<b>MD, Other</b>	Microdevices, Other business

# Business segments

Innovation

Inkjet Innovation

Visual Innovation

Wearables Innovation

Robotics Innovation

Segment

Printing Solutions

Visual Communications

Wearable & Industrial Products

Office & Home IJP

Printers

High-capacity Ink Tank Model



Office Shared



High-capacity Ink Pack Printer

SOHO/Home



Ink Cartridge Model

High-speed linehead inkjet multifunction printers



Ink Cartridge Model for office



SIDM



PaperLab



Scanner



Laser Printer

Professional Printing

Commercial & Industrial IJP

POS



Photos



Signage



Textiles



Labels



Inkjet Printheads



Others



Epson Direct PC

Projectors



High Brightness



Ultra short throw



Standard



Home



Small Projectors

Lighting



Smart Glasses

Wearable Products

Epson Brand



TRUME



Orient

Movement



Seiko Business



Robotics Innovation

Robots



SCARA



6-Axis

IC Test Handler



Options



Microdevices, Others

Microdevices



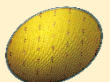
Quartz Crystal Devices



Semiconductors



Superfine alloy powders



Surface finishing

Business/ Major Products

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